

**A Tripartite Agreement for
Joint Marine Scientific Research
in Certain Areas in the South China Sea**

By and Among

China National Offshore Oil Corporation

And

Vietnam Oil and Gas Corporation

And

Philippine National Oil Company

This Agreement is entered into on this ____ day of _____ 2005 by and among China National Offshore Oil Corporation (hereinafter referred to as "CNOOC"), a company organized and existing under the laws of the People's Republic of China, having its headquarters domiciled in Beijing and Vietnam Oil and Gas Corporation (hereafter referred to as "PetroVietnam"), a company organized and existing under the laws of the Socialist Republic of Vietnam, having its headquarters domiciled in Hanoi and Philippine National Oil Company (hereinafter referred to as "PNOC"), a company organized and existing under the laws of the Republic of the Philippines, having its headquarters domiciled at Fort Bonifacio, Taguig, Metro Manila,

CNOOC, PetroVietnam and PNOC are collectively referred to as "Parties" and individually as "Party".

WITNESSETH: That

WHEREAS, CNOOC is a state-owned oil company of the People's Republic of China;

WHEREAS, PetroVietnam is the national oil company of the Socialist

Republic of Vietnam;

WHEREAS, PNOC is the national oil company of the Republic of the Philippines;

WHEREAS, the Parties' respective governments have expressed their commitment to pursue peaceful efforts to transform the South China Sea into an area of peace, stability, cooperation and development;

WHEREAS, the Parties shall abide by their respective government's commitment to fully implement the United Nations Convention on the Law of the Sea (UNCLOS) and the ASEAN-China Declaration on the Conduct of Parties in the South China Sea (DOC);

WHEREAS under the authorization of the Chinese Government, CNOOC has the exclusive right to sign this Agreement with PNOC and PetroVietnam for a joint marine seismic undertaking within the Agreement Area;

WHEREAS, under the authorization of the Socialist Republic of Vietnam, PetroVietnam has the exclusive right to sign this Agreement with CNOOC and PNOC for a joint marine seismic undertaking within the Agreement Area;

WHEREAS, under the authorization of the Philippine Government, PNOC has the exclusive right to sign this Agreement with CNOOC and PetroVietnam for a joint marine seismic undertaking within the Agreement Area;

WHEREAS, the Parties recognize that the signing of this Agreement shall not undermine the basic position held by the Government of each Party on the South China Sea issue;

NOW, THEREFORE, the Parties hereby agree, as follows:

Article 1 The Agreement Term

Unless otherwise agreed upon by the Parties, the term of this Agreement shall be Three (3) years starting from the date of commencement of implementation of the Agreement. The said three-year period is hereinafter referred to as the "Agreement Term".

Article 2 The Agreement Area

The Agreement Area as of the date of signing of this Agreement covers a total area of one hundred forty-two thousand eight hundred and

eighty-six (1420 886) square kilometers, as defined and marked out by the geographic location and the coordinates of the connecting points of the boundary lines in the Annex "A" attached hereto.

Article 3 Financing

Each Party shall be responsible for the costs of its own personnel designated for the implementation of this Agreement. Such costs shall include but not be limited to salaries or wages, allowance, expenses for travel and accommodation. However, the expenses incurred for carrying out the activities referred to in Article 4.1 hereof and any other necessary activities determined by the Joint Operating Committee referred to in Article 5 hereof to be necessary for the implementation of this Agreement shall be shared by the Parties on equal basis.

Article 4 Seismic Work

4.1 It is agreed that certain amount of 2D and/or 3D seismic lines shall be collected and processed and certain amount of existing 2D seismic lines shall be reprocessed within the Agreement Term. The seismic work shall be conducted in accordance with the seismic program unanimously approved by the Parties to ensure safety, stability and protection of the

environment in the Agreement Area.

4.2 The actual annual work program and budget within the Agreement Term shall be formulated by the Joint Operating Committee referred to in Article 5 hereof pursuant to the Parties' authorization. The interpretation and evaluation on data should be done by a joint team created by the Parties either in Beijing or Hanoi or Manila.

Article 5 The Joint Operating Committee

5.1 For the proper performance of the joint activity, the Parties shall establish a Joint Operating Committee ("JOC") within thirty (30) days from the date of commencement of the implementation of the Agreement.

5.2 CNOOC, PetroVietnam and ENOC shall each appoint three (3) representatives to form the JOC, and each Party shall designate one of its representatives as its chief representative. When a decision is to be made on any proposal, the chief representative from each Party shall be the spokesman on behalf of such Party.

5.3 Decisions of the JOC shall be made unanimously through consultation.

5.4 The Parties shall empower the JOC to:

5.4.1 Propose to the Parties a Joint Operating Agreement (JOA) which will provide the terms of reference for the conduct of the joint activity;

5.4.2 Formulate the annual work program and budget;

5.4.3 Discuss and determine the manner of data exchange;

5.4.4 Arrange further joint studies;

5.4.5 Formulate the actual plan for seismic line acquisition;

5.4.6 Sign subcontracts and service contracts for seismic line acquisition and processing; and

5.4.6 Interpret and evaluate the relevant data and submit final evaluation report to the Parties.

5.5 The JOC may discuss and determine relevant job descriptions, work procedures, the establishment of subordinate bodies, methods of cash calls, accounting methods and other necessary rules and regulations within the JOC as the joint activity may require.

5.6 The JOC shall report to the Parties on a timely basis the progress of joint activity and be subject to the directions given by the Parties.

Article 6 Subcontracts and Service Contracts.